

## INTRODUCTION

The *Community Development Block Grant (CDBG) Program Application Guidelines for Housing and Neighborhood Renewal Projects, for the Fall 2007 Grant Competition* explains how cities, towns, and counties can apply for financial assistance for federal fiscal year (FFY) 2008 funds under the Community Development Block Grant (CDBG) Program. In addition to providing information regarding the types of housing and neighborhood renewal projects and activities which are eligible for funding under the CDBG program, these guidelines set out the general policies for CDBG and the special requirements and ranking criteria which the Montana Department of Commerce (MDOC) will use to evaluate applications for Housing and Neighborhood Renewal projects. The required uniform housing application form is a separate publication, the *Uniform Application for Montana Housing Loan, Grant & Tax Credit Programs, 2006-2007 Edition*.

Montana's CDBG program is a federally funded, competitive grant program designed to help communities of less than 50,000 population with their highest priority community development needs. All CDBG projects must principally benefit low and moderate income persons. The program was established by the federal Housing and Community Development Act of 1974. The Montana Department of Commerce (MDOC) administers the program under contract with the U.S. Department of Housing and Urban Development (HUD). In 1982, MDOC took over administration of the "Small Cities" CDBG program for communities of less than 50,000 population from HUD. The MDOC Business Resources Division administers the Economic Development category. The MDOC Community Development Division administers the Housing and Neighborhood Renewal and Public Facilities categories.

### **Bush Administration Proposes 21% Cut for 2008 CDBG Funding**

Since the Department of Commerce began administering the State CDBG Program in 1982, the annual budget for the CDBG program that has been set by Congress had seldom varied, up or down, by more than about five percent. However, in 2005, the Bush Administration proposed terminating the CDBG program. After Congressional hearings and debate in December 2005, Congress rejected eliminating the program and instead approved a 10% cut in the budget for CDBG. This resulted in a cut for Montana from the FFY 2005 level of \$7,626,300 to \$6,886,683 for FFY 2006.

For FFY 2007, the President's budget did not propose eliminating the CDBG program; however, funding was proposed to be cut by 25% from the FFY 2006 level. Congress rejected this proposal and voted to maintain the CDBG program at approximately the same level as for FFY 2006. Montana ended up with slightly more funds for FFY 2007 (\$6,935,714) than the state received in FFY 2006 (\$6,886,683).

For the FFY 2008 budget, on September 12, 2007 the U.S. Senate voted to appropriate \$3.7 billion for the CDBG Program, slightly less than the amount earlier approved by the U.S. House of Representatives, but nearly \$800 million more than the Administration's budget requested. The next step in the appropriations process will be a conference to reconcile the difference between the two funding levels; however, President Bush has threatened to veto the overall funding package for the U.S. Department of Transportation and HUD (of which the CDBG budget is a part) because it includes substantially more funding than requested in the Administration's budget.

Anyone desiring to learn the latest developments regarding CDBG funding is urged to contact the CDBG Program. An e-mail list is maintained by the CDBG Program – Housing and Public Facilities for the purpose of providing funding information to Montana local governments and others interested in the status of funding for the program.

The Montana CDBG Program will proceed with the development of application guidelines for the FFY 2008 (calendar year 2007) CDBG program, assuming a funding level equal to the 2007 program, until more definitive information regarding the status of the CDBG budget is received. The Montana CDBG Program will keep Montana local government officials, and others interested in the CDBG program, informed of any new developments. If local governments would like to receive updates on the CDBG budget cut issue, contact Joanne Gilbert at (406) 841-2791 or e-mail address: jgilbert@mt.gov.

Since 1982, Montana communities have received over \$166 million dollars in CDBG funds to address a variety of critical community needs, while principally benefiting low and moderate income families. This CDBG funding has been matched with other federal, state, and local funding to accomplish hundreds of millions of dollars of important local economic development, housing, and public facility projects. In fact, there are few Montana communities that have not benefited from the CDBG program at one time or another.

### **Organization of the Housing and Neighborhood Renewal Guidelines**

If you have not previously worked with Montana's CDBG Program, the volume of the guidelines may seem a bit overwhelming. This is, in part, because CDBG is able to fund such a wide variety of community development projects. Also, because of the federal requirements involved, there is considerable "red tape" involved in applying for and administering a Community Development Block Grant; however, even very small Montana communities have demonstrated that they can successfully apply for and administer a CDBG project.

In addition to these guidelines, MDOC has prepared supplementary materials to help local officials prepare CDBG applications and comply with the various requirements. These include items such as sample income survey forms, budget forms, formats for public hearing announcements and local government resolutions, and computerized application formats, including checklists to help make sure that the application is complete.

Copies of the application materials for the Housing and Neighborhood Renewal category will be distributed at regional application workshops or may be ordered from the MDOC's Community Development Division at the address noted below or may be downloaded from the MDOC website:

**[http://comdev.mt.gov/CDD\\_cdbg.asp](http://comdev.mt.gov/CDD_cdbg.asp)**

If you have any questions regarding Montana's CDBG Program, please contact us.

The CDBG staff will assist applicants in understanding all of the technical and financial requirements of the CDBG program. Anyone who has questions or concerns about the CDBG application guidelines or materials should contact or meet with the MDOC CDBG staff. Any inquiries regarding the program or potential CDBG projects should be made as far in advance of the application deadline as possible.



MDOC has a variety of resources to assist you in preparing your grant application. You can borrow copies of previously successful housing applications submitted by communities and other related reference materials are available upon request from MDOC staff.

The Uniform Application for Montana Housing Loan, Grant & Tax Credit Programs, 2006-2007 Edition is also available on a compact disk and from the Housing Division:

**[http://housing.mt.gov/Hous\\_Apps.asp](http://housing.mt.gov/Hous_Apps.asp)**

The entire CDBG Application Guidelines for Housing and Neighborhood Renewal Projects document is available in Microsoft Word format on diskette or CD from our office or may be downloaded from our CDBG website:

**[http://comdev.mt.gov/CDD\\_CDBG\\_Hous.asp](http://comdev.mt.gov/CDD_CDBG_Hous.asp)**

For a copy of the application guidelines for *economic development* projects, contact:

**CDBG Program - Economic Development  
MDOC/Business Resources Division  
301 South Park Avenue - P.O. Box 200501  
Helena, MT 59620-0501**

**Phone: (406) 841-2734 Fax: (406) 841-2731 Website: <http://businessresources.mt.gov/>**

For additional copies of the Application Guidelines and all related application materials for Housing and Neighborhood Renewal or Public Facilities projects or for a copy of the application forms on a compact disk contact:

**CDBG Program - Housing and Public Facilities  
MDOC/Community Development Division  
301 South Park Avenue - P.O. Box 200523  
Helena, MT 59620-0523**

**Phone: (406) 841-2791 TDD: (406) 841-2702 FAX: (406) 841-2771**

**Website: [http://comdev.mt.gov/CDD\\_cdbg.asp](http://comdev.mt.gov/CDD_cdbg.asp)**

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Alternative accessible formats of this document will be provided upon request. If you need this document in an alternative format, such as large print, Braille, audio tape, or computer diskette, please contact the Montana Department of Commerce Community Development Division at (406) 841-2791, TDD (406) 841-2702, or the Relay Services number, 711.